

IN THE CIRCUIT COURT OF COAHOMA COUNTY, MISSISSIPPI

LC FARMS, INC.,

PLAINTIFF

vs.

CASE NO. 2012-14-CI-12-0051

CHARLES MCGUFFEE,
RAIN AND HAIL, LLC,
RAIN AND HAIL INSURANCE
SERVICES INC. and
ACE PROPERTY AND CASUALTY
INSURANCE COMPANY

DEFENDANTS

COMPLAINT

COMES NOW the Plaintiff, LC Farms, Inc., by and through counsel, and for its cause of action against Defendant Charles McGuffee states as follows:

I. PARTIES

1. Plaintiff LC Farms, Inc. is a corporation organized and existing under the laws of the State of Mississippi and authorized to conduct business in the State of Mississippi.
2. Defendant Charles McGuffee is an adult resident of Hinds County, Mississippi, who may be personally served with copies of the Summons and Complaint at the following address:

Mr. Charles McGuffee
(address unknown)
Jackson, Mississippi

3. Defendant Rain and Hail, LLC is a foreign corporation organized and existing under the laws of the State of Iowa, duly registered to conduct business in the State of Mississippi, and may be served with process of this Court by serving copies of the Summons

and Complaint upon an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process at the following address:

Rain and Hail, LLC
9200 Northpark Drive, Suite 300
Johnston, Iowa 50131

4. Defendant Rain and Hail Insurance, LLC is a foreign corporation organized and existing under the laws of the State of Iowa, duly registered to conduct business in the State of Mississippi, and may be served with process of this Court by serving copies of the Summons and Complaint upon an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process at the following address:

Rain and Hail Insurance Service Inc.
1951 Rosebud Road
Grayson, Georgia 30017

5. Defendant Ace Property and Casualty Insurance Company is a foreign corporation organized and existing under the laws of another state duly registered to do business in the State of Mississippi, and may be served with process of this Court by serving copies of the Summons and Complaint upon Defendant Ace Property and Casualty Insurance Company's managing or general agent at the following address:

Rain and Hail Insurance Service Inc.
Registered Agent for
Ace Property and Casualty Insurance Company
9200 Northpark Drive, Suite 300
Johnston, Iowa 50131

6. At all times relevant hereto, Defendant Charles McGuffee was employed as a staff adjuster for Defendant Rain & Hail, LLC and/or Defendant Rain and Hail Insurance Services Inc. and was duly authorized agent and representative for Defendants Rain & Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company.

II. JURISDICTION AND VENUE

7. This cause of action arises exclusively from the conduct of the Defendant in Coahoma County, Mississippi. Therefore, this Court has jurisdiction, and venue is proper in the Circuit Court of Coahoma County, Mississippi.

III. FACTS

8. In crop year 2011, Plaintiff LC Farms, Inc. applied for and was issued a policy of Multi-Peril Crop Insurance (MPCI), Policy No. MP-0505298, through Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, an approved insurance provider (AIP) of the United States Department of Agriculture, Federal Crop Insurance Corporation (FCIC),

9. Policy No. MP-0505298 covered approximately 205 acres of corn grown by Plaintiff in Coahoma County, Mississippi, and insured against loss due to certain enumerated perils, including any reduction in quality due to aflatoxin, a naturally occurring mycotoxin that is produced by certain species of fungus.

10. On or about September 6, 2011, Plaintiff began harvesting its corn, hauling the harvested corn to The Scoular Company, Friar's Point, Mississippi.

11. At that time, The Schouler Company rejected certain loads of corn due to unacceptably high levels of aflatoxin.

12. On or about September 7, 2011, Plaintiff, by and through its officer and director, Coleman Allen III, contacted its agent of record for Policy No. MP-0505298, David Huggins, Fisher Insurance Agency, Clarksdale, Mississippi, and gave formal notice of a potential claim.

13. At that time, a claim was opened by Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, and adjuster Charles McGuffee was assigned to work the claim, Claim No. 11-000414.

14. At that time, Defendant Charles McGuffee instructed Coleman Allen III to take samples of the first two (2) rejected loads before the grain was stored in a grain bin.

15. Coleman Allen III specifically asked Defendant McGuffee if he could resume harvest and if any additional samples were necessary.

16. Defendant Charles McGuffee, in his capacity as adjuster assigned to Claim No. 11-000414, answered Allen that Plaintiff LC Farms, Inc. could resume harvest and that no further sampling would be necessary.

17. In strict accordance with the express instructions of Defendant Charles McGuffee, Plaintiff LC Farms, Inc. resumed harvest and took no further samples.

18. On or about September 7, 2011, Defendant Charles McGuffee, in his capacity as adjuster assigned to Claim No. 11-000414, took custody of the two (2) corn samples taken by Plaintiff and advised Allen that he would obtain a second letter of rejection from a grain buyer.

19. On or about September 8, 2011, Plaintiff LC Farms, Inc. concluded its corn harvest, having harvested a total of twenty (20) loads of corn, six (6) of which were accepted by The Scouler Company, and fourteen (14) of which were rejected.

20. On or about September 10, 2011, Defendant Charles McGuffee contacted Coleman Allen III and confirmed that the rejected corn in fact contained unacceptably high levels of aflatoxin and that a claim would be payable under the subject policy.

21. On or about September 12, 2011, Defendant Charles McGuffee called Allen back, advising that LC Farms, Inc. needed "twelve more samples," one for each of the additional twelve (12) loads of aflatoxin corn.

22. On or about September 12, 2011, Defendant Charles McGuffee obtained samples of the Plaintiff's store corn crop, together with a check to cover the cost of having the samples analyzed.

23. On or about September 18, 2011, Defendant Charles McGuffee advised Plaintiff LC Farms, Inc. that Claim No. 11-000414 would not be paid.

24. Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company subsequently confirmed to Plaintiff LC Farms, Inc. that Claim No. 11-000414 would not be paid.

IV. CAUSES OF ACTION

COUNT ONE – BREACH OF CONTRACT

25. The denial of Plaintiff LC Farms, Inc.'s crop insurance claim, Claim No. 11-000414, constitutes a breach of the insurance contract between Plaintiff LC Farms, Inc. and Defendants Rain & Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company.

26. Therefore, Plaintiff LC Farms, Inc. is entitle to recover from Defendants Rain & Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company damages in the amount of the indemnity properly payable under Policy No. MP-0505298, together with interest as calculated under the terms of the policy.

27. Furthermore, because Defendant Charles McGuffee as the loss adjuster for Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, failed to comply with the terms of the policy and/or the procedures of the FCIC, resulting in the denial of Claim No. 11-000414, Plaintiff LC Farms, Inc. is entitle to recover compensatory damages, punitive damages, attorney's fees and court costs.

WHEREFORE, PREMISES CONSIDERED, Plaintiff LC Farms, Inc. prays that this Court enter judgment against Defendants Charles McGuffee, Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, jointly and severally, for an amount not less than One Hundred Thousand and 00/100 Dollars (\$100,000.00); for all costs of court; and for such other and further relief as may be just and proper.

COUNT TWO – NEGLIGENCE

28. In the alternative, Plaintiff LC Farms, Inc. asserts Count II, incorporating by reference the allegations set forth in paragraphs 1. through 27., inclusive.

29. The actions and inactions of Defendant Charles McGuffy constitute negligence, which negligence was the direct and proximate cause of damages to the Plaintiff.

30. The actions and inactions of Defendant Charles McGuffee were taken in his capacity as staff adjuster assigned to Claim No. 11-000414 and in the ordinary course and scope of his employment, agency and service with Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company.

31. Defendants Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company are vicariously liable for the actions and inactions of McGuffee under the doctrine of *respondeat superior*.

32. Therefore, Plaintiff LC Farms, Inc. is entitle to recover from Defendants Charles McGuffee, Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, jointly and severally, damages in the amount of the indemnity properly payable under Policy No. MP-0505298, together with interest as calculated under the terms of the policy.

33. Furthermore, because Defendant Charles McGuffee, as the loss adjuster for Defendants Rain & Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, failed to comply with the terms of the policy and/or the procedures of the FCIC, resulting in the denial of Claim No. 11-000414, Plaintiff LC Farms, Inc. is entitle to recover compensatory damages, punitive damages, attorney's fees and court costs.

WHEREFORE, PREMISES CONSIDERED, Plaintiff LC Farms, Inc. prays that this Court enter judgment against Defendants Charles McGuffee, Rain and Hail, LLC, Rain and Hail Insurance Services Inc. and Ace Property and Casualty Insurance Company, jointly and severally, for an amount not less than One Hundred Thousand and 00/100 Dollars (\$100,000.00); for all costs of court; and for such other and further relief as may be just and proper.

Respectfully submitted,

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